

What is claimed is:

1. A method for determining a preferred set of prices for a plurality of products, comprising:

receiving a plurality of demand coefficients;

5 receiving cost data; and

determining a preferred set of prices that will provided a local optimum.

10 2. The method, as recited in claim 1, further comprising specifying a plurality of rules, and wherein the finding the set of prices, comprises:

determining set of optimizing starting prices; and

using a grid method to determine the preferred set of prices for the plurality of products.

15 3. The method, as recited in claim 2, wherein the finding the set of prices, further comprises:

generating a sales model from the demand coefficients;

generating a cost model from the cost data; and

generating a profit model from the sales model and the cost model,

20 wherein the local optimum is a local optimum of the profit model.

4. The method, as recited in claim 2, wherein the determining the set of optimized starting prices, comprises:

receiving a set of actual prices;

25 initializing a set of incumbent prices to the set of actual prices; and

applying the incumbent prices to the sales model and the cost model in an iterative manner until optimized starting prices are reached.

5. A method for determining a preferred set of prices for a plurality of products, comprising:

creating a sales model;

creating a cost model;

5 specifying a plurality of rules;

determining the preferred set of prices based on the sales model, the cost model, and the plurality of rules.

6. An optimization engine, useful in association with an econometric

10 engine for creating a sales model and a financial model engine for creating a cost model, the optimization engine comprising:

a rule tool, which stores a plurality of rule parameters; and

a price calculator connected to the rule tool, the financial model engine, and the econometric engine, wherein the price calculator determines a
15 preferred set of prices based on rule parameters, the sales model, and the cost model.